

AMENDED AND RESTATED
BYLAWS
OF
HOLLOWAY TERRACE HOMEOWNERS ASSOCIATION, INC.

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OF
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ARTICLE I
NAME, LOCATION AND DEFINITIONS

Section 1.1. Name.

The name of the corporation is Holloway Terrace Homeowners Association, Inc., hereinafter referred to as the “Association”. The principal office of the Association shall be located in Los Angeles County, California.

Section 1.2. Association is Nonprofit.

The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law as a nonprofit mutual benefit corporation.

Section 1.3. Specific Purpose.

The specific and primary purpose of the Association shall be to manage, administer, maintain, preserve and operate that certain real property, together with all Units, Common Area, improvements and facilities located thereon, located at 8530 Holloway Drive, in the City of West Hollywood, County of Los Angeles, State of California, in accordance with the terms and provisions of the Restated Declaration.

Section 1.4. Definitions.

Unless otherwise specifically provided herein, the capitalized terms in these Bylaws shall have the same meanings as are given to such terms in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Holloway Terrace Homeowners Association, Inc., applicable to the Property recorded on the 26 day of August, 2011, in the Official Records of Los Angeles County, California, and subsequent amendments thereto.

Section 1.5. Reference to Statute.

Wherever reference is made herein to a State of California statute, including without limitation the California Civil Code or California Corporations Code, such reference shall continue to apply to such statute as it may be renumbered or amended from time to time and/or any successor statute.

**ARTICLE II
MEETINGS OF MEMBERS AND VOTING**

Section 2.1. Voting Rights.

The Association shall have one (1) class of voting membership. All Owners shall be Members and shall be entitled to one (1) vote for each Condominium owned. When more than one (1) Person holds an interest in any Condominium, all such Persons shall be Members; the vote for such Unit shall be exercised as those Persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Condominium. Once a vote is cast, it shall be irrevocable.

Section 2.2. Eligibility to Vote.

Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. However, the Association, through the Board, must first suspend a Member's voting privileges pursuant to a duly noticed hearing that meets the procedures set forth below to effectively prohibit Members who are not in good standing from voting. In order to be in good standing, a Member must be current in the payment of all Assessments and other charges levied against the Member's Condominium and not be subject to any disciplinary proceeding conducted in accordance with the Restated Declaration or these Bylaws, or otherwise in violation of the Governing Documents. A Member's good standing shall be determined as of the record date established in accordance with Section 2.22.

Section 2.3. Procedure for Member Discipline.

Prior to disciplining a Member for a violation of the Governing Documents through the levy of fines or suspension of membership privileges, such as voting privileges or Common Area recreational facility use privileges, the Association shall adhere to the following, minimum procedure when disciplining the Member for a violation of the Governing Documents:

(a) Notice shall be sent by either personal delivery or prepaid first-class mail to the most recent address of the Member as shown on the Association's records, setting forth the proposed disqualification from voting, suspension of other membership privileges, and/or the proposed levy of a fine or monetary penalty against the disciplined Member, and the reasons therefor. Additionally, the notice shall contain, at a minimum, the date, time and place of the Board meeting at which the proposed disciplinary action will be discussed, together with a statement that the Member has the right to attend the meeting and may address the Board at such meeting. Such notice shall be sent at least ten (10) days before the date of the meeting. Notwithstanding anything to the contrary contained herein, if the California State Legislature, by statute, authorizes notice to be transmitted electronically, the Association shall be authorized to provide notice as set forth in any applicable statutory provision.

(b) If a Member is disciplined, the Board shall provide notice of the disciplinary action by either personal delivery or prepaid first-class mail to the Member within fifteen (15) days following the decision to impose discipline. The decision of the Board of Directors shall be final and binding on the Member.

Section 2.4. Furnishing Evidence of Membership.

To establish a Person's status as a Member, the Board may require such Person to advise the Secretary in writing that such Person is qualified to be a Member under Section 2.2 above, or to provide the Secretary with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Los Angeles County Recorder), a certified statement with supporting documentation, a certificate from a trust designating the Member as a trustee to act on behalf of the trust or a currently effective policy of title insurance or designation of trustee or beneficiary under a trust agreement.

Section 2.5. Voting at Membership Meetings.

(a) Voting at any membership meeting may be in person or, as applicable, by Secret Ballot as mandated by Section 2.5(b) herein.

(b) An election within the Association regarding Assessments, selection of Directors, removal of Directors, amendments to the Governing Documents, or the granting of Exclusive Use Common Area shall be held by Secret Ballot in accordance with the procedures set forth in this Section.

(c) The Association shall select an independent third party or parties as inspector(s) of election (collectively, “Inspector of Election”, or “Inspector”), as set forth in Section 2.16 of these Bylaws.

(d) Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every Member not less than thirty (30) days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, parcel or Unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:

(1) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall sign his or her name, indicate his or her name, and indicate the address or separate interest identifier that entitles him or her to vote.

(2) The second envelope is addressed to the Inspector of Election, who will tally the votes. The envelope may be mailed or delivered by hand to a location specified by the Inspector of Election. The Member may request a receipt for delivery. If the Member mails the Member’s Secret Ballot, the Member, if a receipt is requested, shall send the Secret Ballot by certified mail, return receipt requested.

(e) All votes shall be counted and tabulated by the Inspector of Election, or to the extent allowed by applicable law, the Inspector’s designee, in public at a properly noticed open meeting of the Board of Directors or Members. Any candidate or other Member of the Association may witness the counting and tabulation of the votes. No person, including a Member of the Association or an employee of the Association or its management company, shall open or otherwise review any Secret Ballot prior to the time and place at which the Secret Ballots are counted and tabulated. The Inspector of Election, or the Inspector’s designee, may verify the Member’s information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a Secret Ballot is received by the Inspector, it shall be irrevocable.

(f) The tabulated results of the election shall be promptly reported to the Board of Directors of the Association, shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by Members of

the Association. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all Members.

(g) The sealed Secret Ballots at all times shall be in the custody of the Inspector of Election or at a location designated by the Inspector of Election until the Secret Ballots are opened and counted at an open Board meeting or Member meeting, as applicable. Thereafter, the opened ballots and outer envelopes shall remain in the custody of the Inspector of Election or at a location designated by the Inspector of Election until nine (9) months after the date of the election, at which time custody shall be transferred to the Association. In the event of a recount or other challenge to the election process, the Inspector of Election shall, upon written request, make the Secret Ballots available for inspection and review by Association Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

(h) After transfer to the Association, Secret Ballots shall be stored by the Association in a secure place for no less than one (1) year after the date of the election.

(i) The Association shall adopt Rules, in accordance with the procedures prescribed by state statute and the Restated Declaration, that do all of the following for Board elections and other Secret Ballot elections, as applicable:

(1) Ensure that if any candidate or Member advocating a point of view is provided access to Association media, newsletters, or Internet websites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and Members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or Member, and not the Association, is responsible for that content.

(2) Ensure access to Common Area meeting space, if any exists, during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all Members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election.

(3) Specify the qualifications for candidates for the Board of Directors and any other elected position, and procedures for the nomination of candidates, consistent with the Governing Documents. A nomination or election procedure shall not be deemed reasonable if it disallows any Member of the

Association from nominating himself or herself for election to the Board of Directors.

(4) Specify the qualifications for voting, the voting power of each Member, and the voting period for elections, including the times at which polls will open and close, consistent with the Governing Documents.

(5) Specify a method of selecting one or three independent third parties as Inspector or Inspectors of Election utilizing one of the following methods:

(A) Appointment of the Inspector or Inspectors of Election by the Board.

(B) Election of the Inspector or Inspectors of Election by the Members of the Association.

(C) Any other method for selecting the Inspector or Inspectors of Election.

(6) Allow the Inspector or Inspectors to appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector or Inspectors deem appropriate, provided that the persons are independent third parties.

Section 2.6. Cumulative Voting.

Each Member entitled to vote at any election of Directors where two or more positions are to be filled shall have the right to cumulate such Member's votes by giving one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which the Member is entitled, or by distributing the Member's votes on the same principle among as many candidates as that Member desires.

Section 2.7. Prohibition of Revocation of Ballot.

Once cast, including without limitation sending a Secret Ballot or other ballot via personal delivery or U.S. mail to the designated recipient of ballots, a Secret Ballot or other ballot, as applicable, may not be revoked.

Section 2.8. Proxies Not Allowed.

Voting by proxy shall not be allowed.

Section 2.9. Quorum.

Quorum requirements shall be as follows:

(a) For Director elections only, there shall be no quorum requirement.

(b) Except for Director elections or as otherwise provided in these Bylaws, the presence in person or by Secret Ballot of at least fifty-one percent (51%) of the voting power of the Association shall constitute a quorum of the Members. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. If a quorum is never established for the meeting, a majority of those Members who are present may vote to adjourn the meeting for lack of a quorum, but no other action may be taken or business transacted.

Section 2.10. Effect of a Member's Attendance at a Meeting.

Attendance by a Member at a meeting shall also constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the Member attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business because of the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting that are required to be so noticed.

Section 2.11. Place of Meetings of Members.

Meetings of the Members shall be held on the Property or such other suitable place within the County as is practicable and convenient to the Members, as may be designated by the Board of Directors.

Section 2.12. Annual Meetings of Members.

The annual meeting of Members shall be held between October 1 and December 31 of each year, at a specific date and time to be determined by the Board of Directors. At each annual meeting, unless otherwise provided for by state statute, there shall be elected by Secret Ballot of the Members a Board of Directors of the Association, in accordance with the requirements of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

Section 2.13. Special Meetings of Members.

It shall be the duty of the Board to call a special meeting of the Members, as directed by resolution of a majority of a quorum of the Board of Directors, by request of the President of the Association or upon receipt by the Secretary of a petition signed by Members representing at least five percent (5%) of the total voting power of the Association. The notice of any special meeting shall be given within twenty (20) days after receipt of such request or petition and shall state the date, time, and place of such meeting and the general nature of the business to be transacted. The special meeting shall be held neither less than thirty-five (35) days nor more than ninety (90) days after receipt of such request or petition. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.14. Notice.

Except as provided in Section 2.13, it shall be the duty of the Secretary to send a notice of each annual or special meeting by first-class mail, at least ten (10) but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. If requested by a Member in writing, notice may be sent by other means, such as e-mail or facsimile. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at a meeting for action. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members.

Notwithstanding any other provision of these Bylaws, approval by the Members of any of the following proposals, other than by unanimous approval of those Members entitled to vote, shall not be valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice: (a) removal of a Director without cause; (b) election of a Director to serve the remaining term of a vacant Board position pursuant to resignation or removal of a Director, if such an election is deemed necessary by the Board and/or Members, as applicable; (c) approving a contract or transaction between the Association and one or more Directors, or between the Association and any entity in which a Director has a material financial interest; (d) amendment of the Articles; and (e) electing to voluntarily wind up and dissolve the Association.

Section 2.15. Affidavit of Mailing Notice.

An affidavit of the mailing of any notice of any Members' meeting may be executed by the Secretary, or any other party of the Association giving the notice, and if so executed shall be filed and maintained in the minute book of the Association.

Section 2.16. Inspectors of Election.

In advance of any meeting of Members to elect Directors or to vote on any other matter described in Civil Code Section 1363.03(b), the Board shall appoint an independent third party or parties to act as Inspector of Election at such meeting and any adjournment thereof. An independent third party includes, but is not limited to, a volunteer poll worker with the County registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a Member of the Association, but may not be a Director, a candidate for the Board of Directors or related to a Director or a candidate for the Board of Directors. An independent third party may not be a person, business entity or subdivision of a business entity that is currently employed or under contract to the Association for any compensable services unless expressly authorized by Rules of the Association adopted pursuant to the Restated Declaration. If authorized by the Rules and Regulations, the Association's managing agent may act as Inspector.

If an Inspector is required by state statute, and if an Inspector is not so appointed, or if any persons so appointed fail to appear or refuse to act, the Chairperson of any meeting of Members shall appoint Inspectors at the meeting. The number of Inspectors shall be either one (1) or three (3). If Inspectors are appointed at a meeting at the request of one (1) or more Members, the majority of Members represented shall determine whether one (1) or three (3) Inspectors are to be appointed. As used herein, the singular "Inspector" shall include the plural, as applicable.

The duties of such Inspectors shall be as prescribed by Section 1363.03 of the California Civil Code, and shall include: (i) determining the number of memberships outstanding and the voting power of each; (ii) determining the number represented at the meeting; (iii) determining the existence of a quorum; (iv) receiving Secret Ballots; (v) hearing and determining all challenges and questions in any way arising in connection with the right to vote; (vi) counting and tabulating all votes or consents; (vii) determining when the polls are closed; (viii) determining the tabulated results of the election; and (ix) doing such acts as may be proper to conduct the election or vote with fairness to all Members in accordance

with the Civil Code and applicable Rules of the Association regarding the conduct of the election. If there are three (3) Inspectors, the decision, act or certificate of a majority of the Inspectors is effective in all respects as the decision, act or certificate of all.

An Inspector shall perform the Inspector's duties impartially, in good faith, to the best of the Inspector's ability, and as expeditiously as is practical. Any report made by the Inspector is *prima facie* evidence of the facts stated in the report.

Section 2.17. Adjourned Meetings.

If any meeting of Members cannot be organized because a quorum is not present, a majority of the Members who are present may adjourn the meeting to a time neither less than five (5) days nor more than forty-five (45) days from the time the original meeting was called. Such an adjourned meeting may be held without notice thereof as provided in this Article, provided that notice is given by announcement at the meeting at which such adjournment is taken. However, if after adjournment, a new date, time, or place is fixed for the adjourned meeting after the original notice of adjournment, notice of the date, time and place of such adjourned meeting shall be given to Members in the manner prescribed for the giving of notice of annual and special meetings of Members. No action by the Members on any such matter shall be effective if the votes cast in favor are fewer than the minimum number of votes required by the Governing Documents or state statute to approve such an action.

Section 2.18. Order of Business.

Meetings of Members shall be conducted in accordance with any recognized system of parliamentary procedure and/or any such parliamentary procedures as the Association may adopt.

Section 2.19. Action Without Meeting.

For purposes of this Section, "Written Ballot" means a ballot used in an Association election which is not subject to the Secret Ballot requirements of California Civil Code Section 1363.03.

Any action, other than election of Directors as required by state statute, which may be taken at a meeting of the Members may be taken without a meeting by Written Ballot or Secret Ballot as set forth in the California Civil and Corporations Codes. Such ballot solicitations shall specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of

approvals necessary to approve the action, and (c) the date by which Written Ballots or Secret Ballots must be received in order to be counted. The form of Written Ballot or Secret Ballot, as applicable, shall afford an opportunity to specify a choice between approval and disapproval of each matter. Receipt within the time period specified in the solicitation of a number of Written Ballots or Secret Ballots, as applicable, which equals or exceeds the quorum which would be required if the action were taken at a meeting, and a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of Written Ballots or Secret Ballots cast, shall constitute approval by Written Ballot or Secret Ballot, as applicable.

Section 2.20. Consent of Absentees.

The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as transactions transpiring at a meeting duly held after proper notice, if a quorum is present, and if, either before or after the meeting, each of the Members not present signs a written waiver of notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records of the Association or made a part of the minutes of the meeting.

Section 2.21. Minutes, Presumption of Notice.

Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes executed by the Secretary that notice of the meeting was properly given shall be *prima facie* evidence that such notice was given.

Section 2.22. Record Dates.

The Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to notice of any meeting of Members. The record date so fixed shall be neither less than ten (10) days nor more than ninety (90) days prior to the date of the meeting. If the Board does not fix a record date for notice to Members, the record date for notice shall be the close of business on the business day preceding the day on which notice is given. In addition, the Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to vote at any meeting of Members. The record date so fixed shall be neither less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. If the Board does not fix a record date for determining

Members entitled to vote, Members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

Section 2.23. Liability of Members.

No Member of the Association shall be personally liable for any of the debts, liabilities and/or obligations of the Association. Notwithstanding the foregoing, in the event a judgment is rendered against the Association above the limits of any applicable insurance proceeds and the Association is otherwise unable to satisfy such award, the Members may be subject to a Special Assessment to satisfy the balance of the judgment not otherwise satisfied by such insurance policy.

**ARTICLE III
BOARD OF DIRECTORS; SELECTION;
TERM OF OFFICE; MEETINGS**

Section 3.1. Nomination.

Members in good standing may nominate themselves for election to the Board. Nominations shall be made at a time so as to permit the inclusion of a list of such nominations in the notice to Members of the meeting at which such election will be held.

Section 3.2. Number and Qualification.

The property, business and affairs of the Association shall be governed and managed by a Board of Directors composed of five (5) persons, each of whom must at all times: (1) be a Member of the Association, or with respect to a Member that is a corporation or any other legal entity that is not a natural individual, be an officer, director, or trustee of such Member; (2) be current in the payment of all Assessments and other charges levied against the Member and/or the Member's Unit; (3) not be subject to any disciplinary proceeding conducted in accordance with the Restated Declaration or these Bylaws or otherwise in violation of and/or alleged by the Association to be in violation of the Association's Governing Documents; (4) not be engaged in an adversarial proceeding, legal or otherwise, or have any interest in any claim or dispute, with or against the Association or the Board or any member thereof; and (5) not be related by blood or marriage to another Director. Further, no two (2) Directors shall have a joint ownership in, or reside within, the same Unit, and no Director shall have been convicted of a felony

or have been declared of unsound mind by a final order of court. No person may be a candidate for election to the Board of Directors unless they meet the foregoing qualifications.

Section 3.3. Election and Term of Office.

At each annual meeting of the Members, new Directors shall be elected by Secret Ballot by the Members as provided in these Bylaws. All positions on the Board of Directors shall be filled at the annual meeting. If an annual meeting is not held, or if the Board is not elected at the annual meeting, the Board may be elected at any special meeting of the Members held for that purpose. Any person serving as a Director may be reelected, and there shall be no limitation on the number of terms which a Director may serve.

The term of office of each Director shall be one (1) year. Notwithstanding this term of office, each Director shall hold office until (i) the expiration of the term for which they have been elected and (ii) a successor has been elected, subject to the Director vacancy and removal provisions of Section 3.5 and Section 3.6.

Each Director shall hold office until a successor has been elected or until such Director's death, resignation, removal or adjudication of mental incompetence.

Section 3.4. Compensation.

Directors shall not receive any salary or compensation for their services as Directors; provided, however, that (1) nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor, and (2) any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

Section 3.5. Vacancies.

A Director may resign at any time by giving written notice to the President, the Secretary or the Board, and that Director's position will be deemed vacant as of the effective resignation date contained in such notice. Any Director who ceases to meet the qualifications for a Director set forth in Section 3.2 or qualifications that were otherwise in effect at the beginning of the Director's current term of office, shall be deemed to have resigned from the Board upon the occurrence of the non-qualifying event. A vacancy in a Director's office shall also be deemed to exist in the event of a Director's death or removal, or in the event the Members fail to elect the full number of authorized Directors at any meeting at which such election is to

take place. In addition, if a Director is absent from three (3) consecutive Board meetings, whether regular or special, the Board, by a majority vote, may declare the Director's office vacant.

Section 3.6. Removal of Directors.

At any regular or special meeting of the Members duly called and appropriately noticed, any one individual Director (subject to the provisions of this Section, below) or the entire Board may be removed prior to the expiration of their terms of office with or without cause by the vote of Members representing a majority of a quorum of the Association.

Unless the entire Board of Directors is removed from office, no Director who was elected by cumulative voting may be removed when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such Director if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by Secret Ballot, all memberships entitled to vote were voted) and the entire number of Directors authorized at the time of the Director's most recent election were then being elected.

Section 3.7. Filling Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Any vacancy caused by the removal of a Director by the Members shall be filled by the vote of the Members. Any vacancy not filled by the Directors may be filled by vote of the Members at the next annual meeting of the Members or at a special meeting of the Members called for such purpose. The term of office of each Director elected or appointed to fill a vacancy created by the resignation, death or removal of the Director's predecessor shall be the balance of the unserved term of such Director's predecessor.

Section 3.8. Regular Meetings of Board.

Regular meetings of the Board of Directors shall be open to all Members. Regular meetings may be held at such time and place within the Development as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less than every three (3) calendar months. Notice of the time and place of regular meetings of the Board of Directors shall also be given to the Members at least four (4) days prior to the date set for such meeting by posting the notice in a prominent

place within the Common Area and mailing such notice to the address requested by a Member, if a Member so requests this mailing. Notice may also be given by mail or delivery of the notice to each Condominium in the Association, by e-mail, if the Member has authorized e-mail as an acceptable method to receive notice, or by newsletter or similar means of communication. The notice shall contain the agenda for the meeting. Except as allowed by applicable state statute, the Board of Directors may not discuss or take action on any item at a non-emergency meeting unless the item was placed on the agenda included in the notice or approved by the Board for discussion at the meeting for special or emergency purposes, consistent with the above-referenced statute.

Section 3.9. Special Meetings of Board.

Special meetings of the Board of Directors shall be open to all Members. Special meetings may be called by the President or by any two (2) Directors upon four (4) days notice to each Director by first-class mail or forty-eight (48) hours notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile transmission, electronic mail, or other electronic means, to the extent a Director has provided authority to the Association's Board to utilize electronic means for notice purposes. The notice shall state the time, place (as herein above provided) and the purpose of the meeting. Except in the event of an emergency meeting, notice of the time and place of meeting shall also be given to the Members at least four (4) days prior to the date set for such meeting by posting the notice in a prominent place within the Common Area and mailing such notice to the address requested by a Member, if a Member so requests this mailing. Notice may also be given by mail or delivery of the notice to each Condominium in the Association, or by newsletter or similar means of communication. The notice shall contain the agenda for the meeting. Except as allowed by applicable state statute, the Board of Directors may not discuss or take action on any item at a non-emergency meeting unless the item was placed on the agenda included in the notice or approved by the Board for discussion at the meeting for special or emergency purposes, consistent with the above-referenced statute. An "emergency meeting" shall be one called where there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by this Section.

Section 3.10. Waiver of Notice.

Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by that Director of personal notice of the time and place thereof. If all the Directors are present at any meeting of the Board and notice is given to the Members as may be required under Section 3.8 or Section 3.9, no notice to Directors shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if (1) a quorum be present, (2) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof and (3) notice is given to the Members as may be required under Section 3.8 or Section 3.9. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 3.11. Action Without Meeting.

Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

Section 3.12. Quorum and Adjournment.

Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the authorized number of Directors, or three (3) Directors, shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. However, if there is a vacancy on the Board, the greater of two (2) or a majority of the authorized number of Directors less the number of vacant positions on the Board shall constitute a quorum for the transaction of business. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of an adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. Each Director present and voting at a meeting of the Board of Directors shall have one (1) vote on each matter presented to the Board of

Directors for action at that meeting. No Director may vote at any meeting by proxy.

Section 3.13. Executive Session.

The Board of Directors may adjourn a meeting and reconvene in executive session to discuss and vote upon litigation in which the Association is or may become involved, matters that relate to the formation of contracts with third parties, Member discipline, personnel matters, to meet with a Member upon the Member's written request (pursuant to Civil Code Section 1367.1) to discuss a payment plan for the payment of the Member's delinquent Assessments, and any other orders of business appropriate for executive session as set forth in state statute.

Any matter discussed in executive session is confidential in nature and cannot be disclosed to any Members or other persons who are not Directors; provided, however, executive session matters can be discussed by the Board with outside attorneys, accountants, contractors and other professional consultants advising the Board. Executive sessions shall be generally noted in the minutes of the next meeting that is open to the Members. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested by the Member and the Member shall be entitled to attend only that portion of the executive session devoted to the Member's discipline.

**ARTICLE IV
POWERS AND DUTIES OF
THE BOARD OF DIRECTORS**

Section 4.1. Powers and Duties.

The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Members. The powers and duties of the Board shall include, but not be limited to:

(a) The power and duty to select, appoint, supervise and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law and the Governing Documents and to fix their compensation.

(b) The power and duty to conduct, manage and control the affairs and business of the Association, and to make such Rules and Regulations therefor consistent with law, as the Board may deem necessary or advisable.

(c) The power but not the duty to change the principal office for the transaction of the business of the Association from one location to another within the County; and to designate any place within said County for the holding of any annual or special meeting or meetings of Members consistent with the provisions of these Bylaws.

(d) The power but not the duty to borrow money as may be needed in connection with the discharge by the Association of its powers and duties, and the power but not the duty to cause to be executed and delivered, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor, as applicable, except that any loan in an amount exceeding five percent (5%) of the budgeted gross expenses of the Association in any one fiscal year must be approved beforehand by the vote or written consent of Members representing a majority of the voting power of the Association, unless there is an emergency situation in which the safety of persons or property is threatened; in the event of such emergency, the Association need not obtain said Member approval.

(e) The power and duty to fix and levy Assessments and to enforce collection thereof, in accordance with the provisions of the Restated Declaration.

(f) The power and duty to enforce the provisions of the Restated Declaration, these Bylaws, the Rules and Regulations, other Governing Documents, and any agreements of the Association.

(g) The power and duty to contract for and pay for insurance, in accordance with the provisions of the Restated Declaration and/or statute. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association.

(h) The power and duty to contract and pay for: (i) maintenance, repair and replacement of Improvements in accordance with the Association's responsibility for same as set forth in the Restated Declaration, including but not limited to Common Area structures, landscaping and utility facilities; (ii) materials,

supplies and services relating to the Common Area, including but not limited to utility service for Common Area facilities; (iii) materials, supplies and services relating to the Units as may be applicable and subject to the limitations set forth in the Governing Documents; and (iv) employment of personnel as necessary to provide for proper operation of the Property.

(i) The power but not the duty to delegate its powers according to law, and, subject to the approval of the Members, to adopt these Bylaws.

(j) The power but not the duty to grant or quitclaim easements, licenses or rights of way in, on, or over the Common Area for purposes not inconsistent with the intended use of the Property as a condominium project, in accordance with the Restated Declaration.

(k) The power but not the duty to employ a manager or other persons and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Board, except for the responsibility to hold hearings or cause legal actions to be filed, provided that the Board shall endeavor to negotiate the following provisions: (1) the contract shall not exceed a one (1) year term; (2) the Association shall have the right to terminate the contract without cause upon ninety (90) days advance notice, without being required to pay any cancellation penalty; and (3) the Association shall have the right to terminate the contract for cause on thirty (30) days written notice or less, without being required to pay any cancellation penalty.

(l) The power but not the duty to designate such advisory and other committees as the Board shall desire, and to establish the purposes and powers of each such committee created. The Board resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairperson, shall state the purposes of the committee, and shall provide for reports, the term of each committee member, and other administrative matters, all as deemed appropriate by the Board.

(m) The power but not the duty to authorize the Association to pay a judgment or fine levied against the Association or any present or former Director, officer, employee or agent of the Association, to the extent and under the circumstances provided in the Restated Declaration.

(n) The power and duty to authorize the Association to pay expenses and obligations incurred by the Association in the conduct of its business, including without limitation all licenses, taxes and governmental charges levied or imposed against the Property.

(o) The duty to cause to be kept (i) a complete record of all Board acts and Association business affairs, (ii) adequate and correct books and records of Association accounts and Assessments, (iii) minutes of the proceedings of the Board and Association committees (to the extent such committees prepare minutes, and as required by state statute), (iv) a record of Member names and mailing addresses and (v) a record of all leased or rented Units and the tenant(s)/lessee(s) under such lease or rental agreement;

(p) The power and duty to prepare and distribute, in the manner set forth for delivery of documents in Section 9.5 herein, the following to all Members (and any beneficiary, insurer and guarantor of a First Mortgage upon request) not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's next fiscal year, regardless of the number of Members or the amount of the Association's gross income, budgeted gross expenses or assets:

(1) A pro forma operating budget for each Fiscal Year containing the information required under Civil Code Section 1365(a), shall be distributed within the time frame set forth under said Section 1365(a). In lieu of distributing the budget, the Board may distribute a summary of the budget, so long as the Board complies with the provisions of Section 1365(d) of the California Civil Code.

(2) A summary of the reserve funding plan adopted by the Board, as required by Civil Code Section 1365(b).

(3) A financial report containing the information required under Civil Code Section 1365(c) shall be distributed within the time frame set forth under said Section 1365(c).

(4) A statement of the Association's policies and practices in enforcing its legal remedies against Members for defaults in the payment of Assessments, including the recording and foreclosing of liens against Members' Condominiums, as required under Civil Code Section 1365(e).

(5) A summary of the Association's property, general liability, earthquake, flood and fidelity insurance policies, as applicable, pursuant to the requirements of Civil Code Section 1365(f)(1)-(3), that includes all of the following information about each policy:

- (A) The name of the insurer;
- (B) The type of insurance;
- (C) The policy limits of the insurance; and
- (D) The amount of the deductibles, if any.

In lieu of the above summary, the Association may distribute the insurance policy declaration page if the declaration page contains all of the required information described above.

In addition, the Association shall distribute the statement required by Civil Code Section 1365(f)(4).

(6) The statement required by Civil Code Section 1365.1, advising Members of their rights and responsibilities with respect to Assessments and foreclosure.

(7) A summary of the alternative dispute resolution procedures set forth in Civil Code Section 1369.590, including a description of the Association's internal dispute resolution process, as required by Civil Code Section 1363.850.

(q) The duty to distribute to a Member, upon such Member's request, the Disclosure Documents Index set forth in Civil Code Section 1363.005.

(r) The power and duty to perform regular reviews of the Association's financials as required by Civil Code Section 1365.5(a).

(s) The power and duty to cause a study of the reserve account requirements of the Property to be conducted in accordance with Section 1365.5(e) of the California Civil Code. As used herein, "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace or restore those major

components which the Association is obligated to maintain. The signatures of at least two Directors shall be required for the withdrawal of money from the Association's reserve accounts.

(t) The power and duty to discharge by payment, if necessary, any lien against the Common Area and assess the cost of such lien to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws and state statute).

(u) The power but not the duty to employ and engage consultants and experts, including without limitation legal and accounting service providers, to advise the Board regarding its powers and duties described in the Governing Documents and other Association matters as the Board may determine to be necessary.

Section 4.2. Prohibited Acts.

The Board of Directors shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association:

(a) Entering into a contract with a third party wherein the third party will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

(1) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(2) Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration, provided that the policy permits short rate cancellation by the insured;

(3) Lease agreements for laundry room fixtures and equipment not to exceed five (5) years' duration;

(4) Agreements for cable television services and equipment or satellite dish, television services and equipment not to exceed five (5) years' duration; and

(5) A contract for repairs of major damage or destruction to Association property which can reasonably be completed within two (2) years from commencement.

(b) Selling during any fiscal year any property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(c) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; provided, however, that this limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for capital replacement or new capital improvements so long as the expenditure is for the purpose for which the fund was established.

ARTICLE V OFFICERS

Section 5.1. Designation.

The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors, and all of whom must be Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary, who must also be Directors. Any person may hold more than one office; provided, however, that the offices of President and Vice President shall not be held by the same person.

Section 5.2. Election of Officers.

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors, and each officer shall hold office at the pleasure of the Board of Directors until such officer shall resign or be removed or otherwise disqualified to serve, or until a successor shall be elected and qualified to serve.

Section 5.3. Removal of Officers.

Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause. Any officer may resign at

any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 5.4. Filling of Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. The period of time for any office filled in this manner shall be for the unexpired term of the officer replaced.

Section 5.5. Compensation.

No officer shall receive any compensation for services performed in the conduct of the Association's business, provided that (1) nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefor, and (2) any officer may be reimbursed for the officer's actual expenses incurred in the performance of such officer's duties.

Section 5.6. President.

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a California corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the day-to-day business of the Association. The President shall be an *ex officio* member of all standing committees, shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.7. Vice President.

In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

Section 5.8. Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody, as may be applicable, and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary of a California corporation. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Directors required by these Bylaws or state statute to be given. The Secretary shall maintain a record book of Members, listing the names, mailing addresses and telephone numbers of Members, as furnished to the Association ("Membership Register"). The Secretary shall also maintain a record book of all leased or rented Units and the tenants/lessees under such lease or rental agreement. Termination or transfer of ownership by any Member, upon notice to the Association, shall be recorded in the Membership Register by the Secretary, together with the date of the transfer, in accordance with the provisions of the Restated Declaration. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.9. Treasurer.

The Treasurer shall be the chief financial officer of the Association and shall have responsibility for Association funds and securities and for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, in accordance with the Restated Declaration, shall render to the President and Directors, upon request, an account of all of such Treasurer's transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE VI COMMITTEES

Section 6.1. Executive Committees of Directors.

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more executive committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Executive committees shall have all the authority of the Board with respect to matters within their area of assigned responsibility, except that no executive committee, regardless of Board resolution, may:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, or under the Governing Documents, also requires approval of the Members;
- (b) Fill vacancies on the Board of Directors or on any committee that has been delegated any authority of the Board;
- (c) Amend or repeal these Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- (e) Appoint any other committees of the Board of Directors or the members of those committees;
- (f) Expend Association funds to support a nominee for the Board of Directors; or
- (g) Approve any transaction: (i) between the Association and one or more of its Directors; or (ii) between the Association and any corporation, firm, or association in which one or more of its Directors have a material financial interest.

Section 6.2. Meetings and Actions of Executive Committees.

Each executive committee shall have a chairperson. Meetings and actions of executive committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the executive committee and its members for the Board of Directors and its members,

except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors or by the chairperson of the executive committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association's records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

Section 6.3. Effect of Executive Committee Actions.

Unless otherwise expressly provided in the Governing Documents or in the Board resolution authorizing and empowering an executive committee, all corporate powers exercised by the executive committee shall be exercised under the ultimate direction of the Board. Actions taken or decisions made by the executive committee shall be scheduled on the agenda of the Board meeting next following the committee's action or decision for ratification, rescission or modification, as the Board in its discretion deems appropriate.

Section 6.4. Appointment of Advisory Committees.

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more advisory committees, each consisting of Members of the Association or Directors or both, to serve at the pleasure of the Board. Subject to the Governing Documents, advisory committees shall not have any authority of the Board, but shall serve in an advisory capacity to the Board on such matters as shall be delegated to such committee by the Board. Advisory committees include, but are not limited to, an Architectural Committee, as described in the Restated Declaration, and a Nomination Committee, as may be established by the Board from time to time in its discretion.

Each advisory committee shall have a chairperson to preside over the committee meetings. Meetings and actions of advisory committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the advisory committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors or by the chairperson of the committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all

meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association's records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

ARTICLE VII AMENDMENTS TO BYLAWS

These Bylaws may be amended by the Association by the Secret Ballot vote of Members representing at least a majority of a quorum of the Members; provided that the specified percentage of Members necessary to amend a specific Section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section or provision.

ARTICLE VIII CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of California, such conflicting Bylaws shall be null and void but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Restated Declaration and these Bylaws, the Restated Declaration shall control.

ARTICLE IX MISCELLANEOUS

Section 9.1. Checks, Drafts and Documents.

All checks, drafts, orders for payment of money, notes and other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed in the manner and by the person or persons as the Board shall determine by resolution, subject to the provisions of Section 4.1(s).

Section 9.2. Execution of Documents.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, committee member or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 9.3. Operating Account.

There shall be established and maintained a cash deposit account to be known as the “operating account” into which shall be deposited the operating portion of all Assessments as fixed and determined for all Members. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs, payment of vendors, betterments, maintenance, and other operating expenses of the Development.

Section 9.4. Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every calendar year, but is subject to change from time to time as the Board of Directors shall determine.

Section 9.5. Methods of Delivery of Documents.

Any document, communication or notice of any kind permitted or required by the Governing Documents, or required to be delivered by the Davis-Stirling Common Interest Development Act (Civil Code Sections 1350, *et seq.*) shall be delivered by any one of the following methods:

- (1) Personal delivery.
- (2) First-class mail, postage prepaid, addressed to a Member at the address last shown on the books of the Association or otherwise provided by the Member. Delivery is deemed to be complete on deposit with the United States Postal Service, or any successor mail delivery provider.
- (3) E-mail, facsimile, or other electronic means, if the recipient has agreed to that method of delivery in writing in the form prescribed by Corporations Code Section 20(c), and only if such delivery creates a record that is capable of

retention, retrieval and review that may thereafter be rendered into clearly legible form. If a document is delivered by electronic means, delivery is complete at the time of transmission.

(4) By publication in a periodical that is circulated primarily to Members of the Association.

(5) If the Association broadcasts television programming for the purpose of distributing information on Association business to its Members, by inclusion in the programming.

(6) Any other method of delivery, provided that the recipient has agreed to that method of delivery.

A document may be included in or delivered with a billing statement, newsletter, or other document that is delivered by one of the above methods.

Section 9.6. Inspection of Books and Records.

(a) The minutes, minutes that are proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board (other than the executive session) shall be available to Members within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's cost in making that distribution, as provided under Civil Code Section 1363.05(d).

(b) The Members shall be notified in writing at the time that the budget required in Section 4.1(p) is distributed or at the time of any general mailing to the entire membership of the Association of their right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

(c) The Association shall maintain at its principal office (which may or may not be located within the Development, and which may be the office of the Association's managing agent, as the Board may prescribe) the Association Records ("Association Records" shall have the same meaning as defined in Civil Code Section 1365.2), which shall be made available for inspection and copying by any Member or the Member's duly appointed representative for a purpose reasonably related to the Member's interest as a Member in accordance with the

terms of Civil Code Section 1365.2 or Corporations Code Section 8330, *et seq.* Upon request of a Member, the Association shall make the Association Records available for inspection and copying by a Member of the Association, or the Member's designated representative. Any Member designating another person to inspect and copy the Association Records on the Member's behalf shall make this designation in writing.

If the Association maintains a business office within the Development, the Association shall make the Association Records available for inspection and copying in the Association's business office. If the Association does not maintain a business office within the Development, the Association shall make the Association Records available for inspection and copying at a place that the requesting Member and the Association agree upon. If the Association and the requesting Member cannot agree upon a place for inspection and copying, or if the requesting Member submits a written request directly to the Association for copies, the Association may satisfy the requirement to make the Association Records available for inspection and copying by mailing copies of the requested records to the Member by first-class mail within ten (10) days of receiving the Member's request, except when request is made for fiscal records from any of the two (2) fiscal years prior to the then-current fiscal year, in which case the Association shall make such records available to that Member within thirty (30) days of receiving the Member's request. Members shall have the option of receiving specifically identified records by electronic transmission or machine-readable storage media as long as those records are readily available and easily deliverable in such format and can be transmitted in a redacted format that does not allow the records to be altered. The Association shall estimate the mailing costs, copying costs and costs of redaction, if any, and require the Member to advance the payment of such costs before the Association Records are made available for inspection and copying, provided that no charges may be made by the Association for administrative time to locate and gather Association records, unless specifically authorized by state statute.

The Association may withhold or redact information from the Association Records for any of the following reasons:

(1) The release of the information is reasonably likely to lead to identity theft. For the purposes of this Section, "identity theft" means the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money, or property;

(2) The release of the information is reasonably likely to lead to fraud in connection with the Association;

(3) The information is privileged under law;

(4) The release of the information is reasonably likely to compromise the privacy of a Member; or

(5) The information contains an item described in Civil Code Section 1365.2(d)(1)(E).

Except as provided by the attorney-client privilege, the Association may not withhold or redact information concerning the compensation paid to employees, vendors, or contractors. Compensation information for individual employees shall be set forth by job classification or title, not by the employee's name, social security number, or other personal information.

Charges pursuant to the limitations described in Civil Code Section 1365.2(c)(5) may be made for the redaction of information, as described above.

The Association Records, and any information from them, may not be sold, used for a commercial purpose, or used for any other purpose not reasonably related to a Member's interest as a Member. The Association may bring an action against any person who violates this Section for injunctive relief and for actual damages to the Association caused by the violation.

This subsection (c) may not be construed to limit the right of an Association to damages for misuse of information obtained from the accounting books and records and the minutes of proceedings pursuant to this subsection, or to limit the right of an Association to injunctive relief to stop the misuse of this information.

The Association shall be entitled to recover reasonable costs and expenses, including reasonable attorney's fees, in a successful action to enforce its rights under this subsection.

(d) Subject to Civil Code Section 1365.2, Association Records include without limitation the following records: Articles; Bylaws; Restated Declaration;

Rules and Regulations; a copy of the most recent financial statements described in Section 4.1 herein; a true written statement from an authorized Association representative showing the amount of the Association's current Assessments and fees, as well as any Assessment upon that Member's subdivision interest which is due and unpaid as of the statement date, as well as any late charges, interest or costs of collection which have been or may be enforced by a lien upon the Member's subdivision interest as of the statement date, and any monetary fines or penalties levied upon the Member's interest that are unpaid on the statement date; a copy or summary of any notice previously sent to the Member pursuant to Civil Code Section 1363(h) that sets forth any alleged violation of the Governing Documents that remains unresolved on the date of the request; if the Association and its builder have entered into a settlement agreement regarding alleged defects, a copy of the latest information provided for in Civil Code Section 1375.1; and any change in the Association's current Assessments and fees which have been approved by the Board, but have not become due and payable as of the date disclosure is provided pursuant to this Section.

**CERTIFICATE OF SECRETARY
OF
HOLLOWAY TERRACE HOMEOWNERS ASSOCIATION, INC.**

I, the undersigned, do hereby certify that:

1. I am the duly appointed and acting Secretary of HOLLOWAY TERRACE HOMEOWNERS ASSOCIATION, INC., a California nonprofit mutual benefit corporation ("Association"); and

2. The foregoing Bylaws comprising 34 pages, including this page, constitute the Amended and Restated Bylaws of the Association, duly adopted by at least a majority of a quorum of the voting power of the Association by Secret Ballot on May 31, 2011.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Association this 20 day of August, 2011.



Jim Rogers, Secretary

(SEAL)